



COMMISSION ON INSURANCE

COUNTY OF LOS ANGELES

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Patricia Torres, Esq.
Steven Vicencia, CPCU

MINUTES

Meeting of July 17, 2008
Kenneth Hahn Hall of Administration, Room 374-A
500 West Temple Street, Los Angeles, CA 90012

Commissioners Present: Scott J. Svonkin, Steven Vicencia, CPCU, Helene S. Lohr, LUTCF, Patricia Torres, Esq., Daniel Falcon, Barry Binder.

Commissioners Absent: Glenn S. Brown, J.D., Michael G. Cheung, Bobby Blake, William Callagy.

CALL TO ORDER

Chairman Svonkin called the meeting to order as a Committee of the whole at 10:22 a.m.

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Chairman Svonkin.

Commissioner Torres joined the meeting at 10:25 a.m., having reached a quorum, the Chair called the meeting to order.

APPROVAL OF MEETING MINUTES:

On motion of Commissioner Binder seconded by Commissioner Vicencia and unanimously carried, the March 20, 2008 meeting minutes were approved.

CHAIRMAN'S REPORT

Chairman Svonkin reported on the following:

- Chairman Svonkin requested Commission Staff research AB 1945, which Assemblyman Hector De La Torre introduces Legislation to require health insurance companies to get prior approval from state regulators before cancelling or rescinding policies. Chairman Svonkin would like to know if the Governor signed the bill.
- Chairman Svonkin informed the Commission that any newspaper article clippings should be requested from Commission Services Staff.

- Chairman Svonkin requested an invitation letter be sent to State Insurance Commissioner Poizner inviting him to appear before the Commission.

**GUEST SPEAKER – ANTHONY WRIGHT, EXECUTIVE DIRECTOR,
HEALTH ACCESS CALIFORNIA**

Chairman Svonkin welcomed Anthony Wright, Executive Director of Health Access California and his guest Nancy Gomez to the Commission. Mr. Wright gave a brief overview of the following:

- Health Access is a statewide health care consumer advocacy coalition and for the past 20 years it has worked along with some 200 organizations on the goal of quality affordable health care for all.
- Health Access is working against budget cuts that threaten to leave another million people in California uninsured including \$400,000 in Los Angeles County.
- There are 7 million uninsured in California who do not have health care coverage provided by their employer. As a result, uninsured families live sicker and die younger. More than 80% of the uninsured are in working families. One of the leading causes of personal bankruptcy involves health related problems or large medical bills.
- Three ways people acquire medical insurance:
 - Employer provided;
 - Medi-cal and Medicare; and
 - Individual purchased coverage.
- Reductions in programs such as Medi-Cal and Healthy Families would make it harder, more expensive, or impossible for low-income families to see a doctor and get proper health care. Californians are more likely to be uninsured than residents of Texas, New Mexico Arizona and Louisiana.
- ABX1 (health care reform) is a key component setting standard for health benefits on the job. The bill would establish an individual mandate to have insurance with some exceptions for affordability. The proposal also aims to improve access to coverage on the individual insurance market, and has provisions to help contain health care cost.

- As California expands public coverage, Californians fear that some employers will drop coverage so that employees can go into the public coverage, unless a minimum standard is set and everybody is contributing into the healthcare system. Establishing a standard for employers' contribution to healthcare that helps fund the system, strengthens coverage for workers, and encourages union/employer corporation.
- SB 840 (Kuehl), the California Universal Healthcare Act would provide fiscally sound, affordable healthcare to all Californians, provide every Californian the right to choose his or her own physician and control health cost inflation. The proposal is moving toward the Governors desk for approval.
- 2008-10 will be a window of opportunity for healthcare reform back on the table at a State level. Individuals can take advantage of increased public support and the strong interest of key political leaders. To make sure individuals make this opportunity a reality, Health Access California coalition has come together in support.
- The following bills on the issue of "rescissions" are currently pending at the State Legislation:
 - AB 1945 (De La Torre), will require an independent review of all rescissions done by insurers and will standardize underwriting criteria and underwriting application;
 - AB 1150 (Lieu), will outlaw the industry practice of paying bonuses within insurance company employees when they rescind policies and/or setting financial goals based on savings on health care claims;
 - AB 2549 (Hayashi), will impose a six month limit in which insurers are allowed to rescind health policies for fraud once consumers' applications are accepted;
 - AB 2549 (DeLeon), will require insurers to continue to cover family members if one family member rescinded and would also impose duty of honesty and accuracy on brokers who assist individuals in buying coverage; and
 - SB1522 (Steinberg), is sponsored by Health Access California, which will standardized insurance policies into five coverage categories, rating from "comprehensive" to

“catastrophic.” Organization of plans into these categories would enable consumers’ better track premium, benefits and cost-sharing, and assist consumers in making apples-to-apples comparison between plans.

Chairperson Svonkin stated that a global solution is needed and everybody needs health care. Having health care insurance will improve society. Chairman Svonkin commented that individuals pay multiple insurance to cover the same thing and suggested to figure out a way to stop paying multiple areas and have one plan that covers everything.

Chairman Svonkin thanked Mr. Wright for his informative presentation to the Commission and indicated that the Commission looks forward to any additional information he may have in the future on this very important issues.

PROPOSED AMENDED COMMISSION BY-LAWS

Hold for next Commission meeting scheduled for September 18, 2008.

PUBLIC COMMENT

None.

MATTERS NOT POSTED ON THE AGENDA

Commissioner Binder suggested discussing insurance companies who acquire a large group of individuals versus an individual insurance premium.

Chairman Svonkin suggested continued discussion at the November 20, 2008 meeting.

ADJOURNMENT

There being no further business and without objection, the meeting was adjourned at 12:03 p.m.

ATTENDANCE

Staff

George Britton, Staff, Board of Supervisors
Mireya Rivera, Staff, Board of Supervisors

Guest(s)

Anthony Wright, Health Access California
Nancy Gomez, Health Access California